



ADMINISTRATIVE REPORT

Report Date: August 15, 2018
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Meeting Date: September 18, 2018

TO: Vancouver City Council

FROM: General Manager of Finance, Risk and Supply Chain Management in consultation with the General Manager of Engineering Services

SUBJECT: Funding Application to Green Infrastructure – Environmental Quality Program – Hastings Sunrise Sewer Renewal and Green Infrastructure Project

RECOMMENDATION

THAT Council approve a funding application to Investing in Canada Infrastructure Program (ICIP) Green Infrastructure – Environmental Quality Sub-Stream for \$22 million or 73.33% (\$12 million or 40% federal and \$10 million or 33.33% provincial) of the \$30 million in total eligible project costs towards the Hastings Sunrise Sewer Renewal and Green Infrastructure project.

FURTHER THAT Council commit \$11 million in City funding to this project from the Sewer Renewal Program in the 2019-2022 Capital Plan, subject to approval of the 2019 Capital budget.

REPORT SUMMARY

The City's [2019-2022 Capital Plan](#) funding strategy contemplates securing of senior government contributions toward a number of Council priorities, including the renewal of the existing infrastructure and the implementation of green initiatives.

The application supports the Greenest City Action Plan.

This report seeks Council's approval for:

- a funding application for the Hastings Sunrise Sewer Renewal and Green Infrastructure project to the Environmental Quality Sub-Stream of the Green Infrastructure program; and

- up to \$11 million of the City's share of the funding, with the funds being allocated from the 2019-2022 Capital Plan and subject to approval of the 2019 Capital Budget.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Federal and provincial funding programs typically require a Council resolution as part of the funding application package.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The General Manager of Finance, Risk and Supply Chain Management and the General Manager of Engineering Services recommend approval of the report.

REPORT

Background/Context

The Green Infrastructure – Environmental Quality Sub-Stream is a component of the wider Investing in Canada Infrastructure Program (ICIP) which will provide funding through an Integrated Bilateral Agreement between Canada and British Columbia for 4 streams: Green Infrastructure; Community, Culture and Recreation Infrastructure; Rural and Northern Communities Infrastructure; and Public Transit Infrastructure.

Canada and British Columbia's governments announced in May 2018 that they are investing up to \$243 million towards an initial intake of the Green Infrastructure – Environmental Quality Sub-Stream.

The Green Infrastructure – Environmental Quality Sub-Stream focuses on infrastructure that will support quality and management improvements for drinking water, wastewater and stormwater, as well as reductions to soil and air pollutants through solid waste diversion and remediation. Eligible projects will support public infrastructure, defined as tangible capital assets primarily for public use and benefit and must meet at least one of the following below outcomes:

- Increased capacity to treat and/or manage wastewater and stormwater
- Increased access to potable water
- Increased capacity to reduce and/or remediate soil and/or air pollutants

The maximum grant available under this sub-stream is 73.33% of eligible project costs (40% and 33.33% from the federal and provincial contributions, respectively). The application deadline was August 29, 2018.

In scoping out projects to submit to the Environmental Quality sub-stream, City staff reviewed projects that meet the goals of this program and are contemplated in the 2019-2022 Capital Plan.

A resolution of Council is required for each funding application. Resolutions can be submitted within a month of the August 29th application submission deadline.

Strategic Analysis

Hastings Sunrise Sewer Renewal and Green Infrastructure Works project is part of the City's ongoing sewer renewal efforts to address aging infrastructure. Along with renewal, separation of combined sewers is included in response to the regulatory requirements to eliminate combined sewer overflows by 2050, as stipulated in Metro Vancouver's Integrated Liquid Waste and Resource Management Plan (ILWRMP). Green infrastructure works are also integrated into the project to address the impacts of the future stormwater system on water quality of receiving waters, which is another requirement of the ILWRMP. In addition, the integration of green infrastructure supports the implementation of the Council approved Rain City Strategy goals to improve and protect Vancouver's water quality, increase Vancouver's resilience through sustainable water management, and enhance Vancouver's liveability by improving natural and urban ecosystems. External consultants and contractors, in addition to our in-house design and construction services, are being utilized to achieve our goals.

This project will replace the existing combined sewer system at end of service life with a separated sewer together with the installation of green infrastructure to improve water quality, better manage rainwater, reduce flooding, enhance the sewer system's resilience to climate change, and reduce volumes to Vancouver's 2nd highest volume CSO – Cassiar Outfall. The work is planned to include the installation of 65 green infrastructure assets to retain and treat stormwater runoff from 21,000 square metres of project streets and the installation of 6.2 kms of new separated storm and sanitary sewers. The project scope of work has been split into three (3) separate design packages of work to support capital planning efficiency.

The project detailed design was awarded through an RFP process to an external consultant in May 2018. Design work commenced immediately following RFP award and is on target for completion by March 2019. Construction tendering for a portion of the work is anticipated to commence in 2019 with construction completion in 2022.

Implications/Related Issues/Risk (if applicable)

Financial

In the 2019-2022 Capital Plan, \$248 million is contemplated for the sewer & drainage renewal program. The Hastings Sunrise Sewer Renewal and Green Infrastructure project is estimated to cost approximately \$33 million, of which \$30 million is eligible for funding under the Green Infrastructure - Environmental Quality Sub-Stream. Staff recommend that the City request the maximum \$22 million in funding based on 40% (\$12 million) federal and 33.33% (\$10 million) provincial contributions. The City will fund the remaining \$11 million, with the funds being allocated from the 2019-2022 Capital Plan and subject to approval of the 2019 Capital Budget.

CONCLUSION

The City has an opportunity to apply for \$22 million through the Green Infrastructure Program – Environmental Quality Sub-stream. The project is a priority for both sewer renewal and an opportunity to deliver a significant investment in green infrastructure which supports the City's Greenest City and Rain City Strategy goals.

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